

# **Exhibit 55**



**Confidential Memorandum**

To: File – 1Q2010

Cc: Rick Gunst, John St. James, Jim Emrath, Bill Kelly (PwC), Kim Turner (PwC) and Ryan Widmayer (PwC)

From: Patrick Unzicker  
*Vice President & Controller*

Re: BQHC Prepaid Clinical Rotations and Related Reserve as of September 30, 2009

Date: October 7, 2009

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Over the past several years, Ross University has entered into long-term contracts with Brooklyn Queens Health Care, Inc. ("BQHC") and Wyckoff Heights Medical Center ("Wyckoff") to secure clinical rotations for its students at fixed rates in exchange for prepayment of the rotation fees. BQHC is a hospital holding company that controlled St. Johns Hospital and Mary Immaculate Hospital (the "Hospitals"). It also controls Wyckoff. Under the contracts, the established rate-per-clinical rotation was being deducted from the prepaid balance and charged to expense as the medical students utilized the clinical clerkships.

At the end of February 2009, BQHC closed St. Johns Hospital and Mary Immaculate Hospital. Their direct parent company within the BQHC organization declared bankruptcy. The contract between Ross and BQHC provides that, "[i]n the event the Hospitals are not operative, and [Ross] is not in material breach of the Agreement, BQHC agrees to provide [Ross] with an equivalent number of clerkships as agreed to herein at one or more of its other facilities." BQHC advised Ross that Wyckoff was viable and would continue to operate, but claimed its capacity to offer clinical clerkships was fully utilized by students from other medical schools.

Subsequent to closing St. Johns Hospital and Mary Immaculate Hospital, BQHC continues to provide Ross with a limited number of additional clinical clerkships at Wyckoff, but not nearly enough to offset the void created by the closure of its other two hospitals. On April 6, 2009, Ross filed a lawsuit against BQHC in the United States District Court for the Eastern District of New York to enforce the contract. The suit seeks specific performance of BQHC's obligations to provide Ross the prepaid clinical clerkships, monetary damages, and other relief. DeVry believes that it will prevail in Court. In February 2008, The American University of the Caribbean ("AUC") brought a similar legal action against BQHC in a Florida Court. The Court ruled in favor of AUC and BQHC was forced to honor its prepaid clinical agreement with AUC. Further, Mayer Brown, DeVry's outside counsel engaged to represent DeVry and Ross in this matter, believes that it is more likely than not that Ross will prevail with its lawsuit filed against BQHC.

In connection with the March 31, 2009 accounting close and related impairment review of the prepaid balance, Ross management developed two scenarios in which the prepaid clinical rotation balance with BQHC would be fully utilized by either November 2011 or June 2013. These scenarios were based upon knowledge that Ross management has about BQHC capacity for clinical rotations, and the fact that Ross

has rights of first refusal to take additional rotations within BQHC as they become available. As of March 31, 2009, the outstanding balance of prepaid clinical rotations with BQHC was approximately \$9.0 million. Based on the utilization assumptions, the projected prepaid clinical rotation balance at December 31, 2009 was estimated to be approximately \$7.3 million. Though Ross has a contractual right to utilize other clinical rotations within the BQHC system, given the business uncertainty of this situation, a reserve of \$1.5 million (20% of the projected balance at December 31, 2009) was provided against the prepaid balance and charged to Cost of Educational Services in the Consolidated Statements of Income during the third quarter of fiscal 2009. DeVry disclosed this matter in its Form 10-Q for the quarterly period ended March 31, 2009.

On May 11, 2009, BQHC filed an answer to DeVry's lawsuit. In its answer, BQHC denied DeVry's allegations of contractual breach. BQHC also stated that the existing obligation for clinical slots at Caritas (the holding company that controlled St. Johns Hospital and Mary Immaculate Hospital) is not enforceable against BQHC because BQHC is a non-profit company with no assets. DeVry continues to maintain its position that the contract is an obligation of BQHC and DeVry has a right to the clinical rotations. DeVry continues to believe that it will prevail in Court, and BQHC will be forced to honor the contracts. DeVry's outside counsel continues to concur with DeVry's position.

During the three months ended September 30, 2009, Ross utilized its BQHC prepaid clinical balance at a slightly fast rate than originally contemplated during the March 31, 2009 impairment review. As of September 30, 2009, the outstanding balance of prepaid clinical rotations with this hospital group was approximately \$7.5 million (Attachment I). Keeping the original utilization assumptions, it is projected that the prepaid clinical rotation balance at December 31, 2009 will be approximately \$6.9 million. DeVry continues to maintain a reserve of \$1.5 million (as of September 30, 2009) against the prepaid balance, which is slightly higher than the 20% reserve rate used at March 31, 2009 and again at June 30, 2009, but considered reasonable. Management will continue to monitor the situation closely and adjust the reserve as circumstances dictate.